## Message Text

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**ACTION NEA-07** 

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R 300631Z NOV 76 FM USINT BAGHDAD TO SECSTATE WASHDC 3859

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LIMDIS

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FOR DRAPER FROM WILEY

E.O. 11652: GDS

TAGS: PFOR, PINT, IZ

SUBJ: TERRORIST ACTIVITIES SUPPORTED BY IRAQ

**REF: STATE 286710** 

- 1. REFTEL SENT ROUTINE AND RECEIVED NOVEMBER 29.
- 2. YOU HAVE BY NOW RECEIVED BAGHDAD 1749 WHICH IS ON SUBJECT OF GOI SUPPORT FOR TERRORISM.
- 3. IN GENERAL, I BELIEVE USG HAS VERY LIMITED LEVERAGE THAT COULD BE USED UNILATERALLY ON GOI AND THAT THE COSTS OF USING THE LITTLE THAT WE HAVE WOULD BE HIGH IN TERMS OF U.S. INTERESTS. ON OTHER HAND, IF WE COULD ACT IN CONCERT WITH WEST GERMANY, JAPAN, AND PERHAPS OTHER NATO ALLIES AS WELL AS SAUDI ARABIA, EGYPT AND OTHER ARAB COUNTRIES, IRAQIS MIGHT BE FORCED TO MODIFY THEIR SUPPORT FOR TERRORISM.
- 4. MAJOR PRESSURE POINT IS IRAQI DESIRE FOR WESTERN TECHNOLOGY.
  MOST IMPORTANT SOURCES ARE NOW WEST GERMANY AND JAPAN, WITH
  UNITED STATES, UNITED KINGDON, AND FRANCE NEXT IN IMPORTANCE.
  THREAT TN CUT OFF U.S. TECHNOLOGY ALONE WOULD CARRY LITTLE
  WEIGHT SINCE ALMOST EVERYTHING GOI NEEDS CAN BE OBTAINED FROM
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OTHER SOURCES. IN FACT, I BELIEVE GOI IS ALREADY CONSIDERING

A SHARP REDUCTION IN COMMERCIAL RELATIONS WITH THE UNITED STATES IN RESPONSE TO USG'S ANTI-BOYCOTT ACTIONS. PRINCIPAL RESULT OF USG UNILATERAL ACTION WOULD BE TO FREEZE U.S. COMPANIES OUT OF IRAQ'S \$35 BILLION S DEVELOPMENT PROGRAM, AND FURTHER REDUCE THE ALREADY VERY LIMITED U.S. PRESENCE IN IRAQ. ON OTHER HAND, IF IRAQ WERE FACED WITH THE PROSPECT OF LOSING JAPANESE, WEST GERMAN AND U.S. TECHNOLOGY, AND POSSIBLY THAT OF UK AND FRANCE AS WELL, THIS WOULD BE A VERY SERIOUS MATTER FOR GOI. THEY WOULD THEN BE FORCED TO TURN ONCE AGAIN TO SOVIET AND EASTERN EUROPEAN SOURCES FOR THEIR TECHNOLOGY, WHICH THE IRAQIS CONSIDER TO BE DEFINITELY INFERIOR

TO THAT THEY COULD OBTAIN FROM THE WEST. TO PUT THESE CONSIDERATIONS INTO CONTEXT, IN 1975 WEST GERMAN EXPORTS TO IRAQ WERE APPROXIMATELY \$1 BILLION, JAPAN \$700 MILLION, AND UK, U.S. UND FRANCE ALL IN RANGE OF \$300-\$400 MILLION. OBVIOUSLY, IRAQI MARKET IS VERY IMPORTANT TO BOTH WEST GERMANY AND JAPAN, BUT THESE GOVERMENT MIGHT REACT POSITIVELY TO ARGUMENT THAT THREAT OF TERRORISM COULD BE REDUCED WITHOUT LOSS OF MARKETS IF WESTERN NATIONS ACT IN CONCERT.

5. DESPITE THEIR FREQUENTLY INCONSISTENT POLICIES, I BELIEVE THAT IRAQI REGIME IS CONCERNED ABOUT ITS POLITICAL ISOLATION, PARTICULARLY AMONG OTHER ARAB AND THIRD-WORLD COUNTRIES. IF OTHER ARAB AND THIRD-WORLD COUNTRIES WERE TO REDUCE THEIR POLITICAL CONTACTS WITH THE GOI BECAUSE OF THEIR SUPPORT FOR TERRORISM THIS TOO WOULD HAVE AN IMPACT. EVEN IN THE CASE OF WESTERN COUNTRIES, IRAQI LEADERSHIP HUNGERS FOR GREATER INTERNATIONAL RECOGNITION AND WOULD LIKE TO BE CONSULTED MORE OFTEN BY WESTERN POLITICAL LEADERS. IT IS EVEN POSSIBLE THAT "CONSULTATIONS" ON TERRORISM BY WESTERN NATIONS WOULD BE SUFFICIENTLY FLATTERING TO THEIR EGO THAT THEY WOULD RESPOND BY SOME REDUCTION IN THEIR SUPPORT FOR TERRORIST ACTIVITY. IN THIS CONNECTION, IT SHOULD BE NOTED THAT OFFICIAL POSITION ON TERRORISM IS THAT THEY ARE OPPOSED TO ALL TERRORIST ACTS EXCEPT THOSE COMMITTED WITHIN THE BOUNDARIES OF ISRAEL. AGAIN, THE KEY TO THIS APPROACH WOULD BE CONCERTED ACTION AMONG WESTERN NATIONS. A UNILATERAL APPROACH BY USG WOULD CARRY LITTLE WEIGHT. A THREAT TO REDUCE OUR ALREADY LIMITED POLIT-ICAL CONTACTS WOULD HAVE ONLY MARGINAL EFFECT IN BAGHDAD, SECRET

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BUT COULD HAVE SERIOUS IMPACT ON OUR OWN CAPABILITY TO SUPPORT U.S. COMMERCIAL INTERESTS AND TO ACQUIRE INFORMATION AND UNDERSTANDING OF WHAT GOES ON IN IRAQ.

6. ANOTHER PRESSURE POINT THAT MIGHT HAVE SOME WEIGHT IN BAGHDAD WOULD BE A JOINT APPROACH BY A MAJORITY OF THE ARAB STATES, INCLUDING EGYPT AND SAUDI ARABIA. ALTHOUGH THEY HAVE A STRANGE WAY OF SHOWING IT, THE IRAQI LEADERSHIP IS

SENSITIVE TO ITS STANDING AMONG ITS "ARAB BROTHERS". IF WE COULD BRING ABOUT A JOINT DEMARCHE TO THE GOI BY A SUBSTANTIAL NUMBER OF THE OTHER ARAB STATES, PERHAPS LED BY SAUDI ARABIA AND EGYPT, THIS WOULD HAVE AN IMPACT. UNFORTUNATELY, NONE OF THE OTHER ARAB STATES HAVE DEMONSTRATED MUCH BACKBONE ON THIS ISSUE, EVEN WHEN THEY THEMSELVES ARE THE VICTIMS OF TERRORISM.

7. BELIEVE THAT RECONVENING OF GENEVA CONFERENCE WILL BE PARTICULARILY DANGEROUS TIME AS REJECTIONIST ELEMENTS MAY THEN ATTEMPT TO COMMIT ATROCITIES TO DISRUPT CONFERENCE. AT THAT TIME WE MIGHT CONSIDER ORGANIZING A COORDINATED APPROACH TO GOI BY UN SECRETARY GENERAL, THE CO-CHAIRMAN OF THE CONFERENCE, AND THE PARTICIPANTS. ALTHOUGHT IRAQIS ARE OFFICIALLY OPPOSED TO CONFERENCE, THEY ARE NOW TAKING A PRAGMATIC WAIT-AND-SEE ATTITUDE WITH EGYPTIANS WHO DISCUSSED GENEVA CONFERENCE WITH IRAQIS DURING V.P. MUBARAK'S RECENT VISIT TO BAGHDAD. IRAQI REGIME MIGHT BE FLATTERED ENOUGH BY A SUITABLY WORDED HIGH-LEVEL APPROACH IN THE NAME OF THE UN, THAT THEY WOULD BE WILLING TO TAKE STEPS TO CURB PALESTINIAN EXTREMISTS NOW IN IRAQ.

8. I WOULD RECOMMEND AGAINST A UNILATERAL USG PROTEST TO GOI. REGIME MIGHT LOOK UPON SUCH A DEVELOPEMENT AS AN OPPORTUNITY TO SCORE SOME PROPAGANDA POINTS BY PUBLISHING USG PROTEST AS EVIDENCE OF GOI "STEADFASTNESS" IN ARAB AND ANTI-IMPERIALIST CAUSES.

9. IN DEALING WITH GOI ON THIS ISSUE, BELIEVE IT IMPORTANT TO KEEP IN MIND THAT IRAQI LEADERSHIP ACHIEVED THEIR PRESENT EMINENCE THROUGH REPEATED USE OF TERRORIST TECHNIQUES AND TERRORISM TO THEM SEEMS A NORMAL PART OF THE POLITICAL PROCESS. APPROACHES BASED ON MORAL OR HUMANITARIAN CONSIDERATIONS WOULD HAVE LITTLE IMPACT, ALTHOUGH REGIME CAN BE PRAGMATIC WHEN SECRET

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THEY PERCEIVE AN IRAQI NATIONAL INTERAL INTEREST TO BE INVOLVED. IN THIS CASE, BEST PRESSURE POINTS, AS NOTED ABOVE, ARE REGIME'S DESIRE FOR WESTERN TECHNOLOGY AND ITS CONCERN OVER IRAQ'S POLITICAL ISOLATION.

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